

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA

Volume 15

JUNE 1971

Number 11

Released Pursuant to \$1090.27 (j) and \$1090.85, USDA - C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - JUNE 1971

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$6.09 and Excess Milk - \$4.76. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test.

In June 1971, 56.1% of the producer milk received by pool plants was priced in Class I at \$6.92 per cwt. and 43.9% was priced in Class II at \$4.76 per cwt. The June butterfat differential for Class I was 8.1 cents and Class II was 7.8 cents.

Total producer milk received during June 1971 was 37,258,375 pounds which is an increase of 6,797,232 pounds or 22.3% compared with June 1970. Deliveries of producer Base milk exceeded producer milk used in Class I by 12,633,415 pounds or percentagewise only 62.3% of Base milk was used in Class I. The June daily average deliveries from 886 producers was 1,402 pounds. This compares to 739 farms delivering a daily average of 1,374 pounds per day during June 1970.

PRODUCER MILK - RECEIPTS AND CLASSIFICATION
JANUARY THRU JUNE

1971	Total Receipts	213,383,451 lbs.	Up 12.0% From 1970
1970	Total Receipts	190,436,334 lbs.	
1971	Class I Use	134,229,330 lbs.	Down 1.1% From 1970
1970	Class I Use	135,672,688 lbs.	
1971	Class II Use	79,154,121 lbs.	Up 44.5% From 1970
1970	Class II Use	54,763,646 lbs.	

(Million Pounds)

COMPARISON OF MILK RECEIPTS AND UTILIZATION

Page 2

% June 1971

Over
June 1970

June
1971

May
1971

June
1970

Number of Plants - Pool

- Non-Pool

7

7

6

13

13

15

RECEIPTS POUNDS (DAILY AVERAGE)

Producer Milk

+22.3

1,241,946

1,356,697

1,015,371

Other Source

+ 2.2

20,447

28,832

28,821

Other Federal Orders

-30.7

75,405

103,797

108,811

TOTAL MILK RECEIPTS

+15.8

1,336,798

1,489,326

1,153,003

UTILIZATION POUNDS (DAILY AVERAGE)

Class I Uses

Homo Milk

- 3.7

396,127

412,256

411,374

Skim

+18.2

20,510

21,098

10,359

2% Milk

+28.0

122,015

117,418

93,895

Buttermilk

+12.7

56,260

54,252

49,917

Flavored Milk and Drink

+ 1.5

18,277

16,275

17,995

Creams (Sweet and Sour)

+ 0.7

3,360

3,383

3,336

Sub-Total - Pkg. Products (Pool Plants)

+ 3.4

615,549

624,682

595,476

Other (Shrinkage, Inventory, Yogurt, etc)

3,393

4,469

6,512

Sales to Non-Pool Plants

-10.3

89,560

135,708

99,825

In-Area Sales by Non-Pool Plants

-24.4

38,313

45,443

50,657

TOTAL CLASS I MILK

- 0.8

746,820

810,302

752,470

Class II Uses - Pool Plants

Ice Cream Mixes

- 3.7

67,048

55,567

69,608

Cottage Cheese

- 0.7

48,954

47,383

49,288

Powdered and Condensed Milk

2,818

41,921

10,199

Livestock Feed and Milk Dumped

6,243

9,080

7,850

Sub-Total - Used to Produce

- 8.7

125,063

153,951

136,945

Shrinkage Class II

14,230

16,809

14,501

Other (Inventory Variation, etc.)

3,795

8,000

(18,562)

Bulk Sales to Non-Pool Plants

+70.7

456,200

499,764

257,649

TOTAL CLASS II MILK

+49.8

599,233

679,024

400,533

Class I Pkg. Lbs. In Area - Pool Plants

+ 3.2

454,148

477,171

450,003

Class I Pkg. Lbs. Out of Area-Pool Plants

+ 3.8

121,011

147,511

145,473

Class I Pkg. Lbs. In Area - Non-Pool Plants

-24.4

38,313

45,443

50,657

Producer Milk of Grade Class I

167.3

167.4

134.9

CLASS I POUNDS DISPOSITION ON ROUTES IN THE MARKETING AREA BY OTHER ORDER PLANTS AND PARTIALLY REGULATED DISTRIBUTING PLANTS

	June 1971	May 1971	June 1970
Homo Milk	831,250	1,098,459	1,173,012
Skim	8,582	8,509	14,770
2% Milk	164,514	156,187	165,097
Buttermilk	102,248	102,299	126,218
Flavored Milk & Drink	40,244	41,569	39,212
Creams (Sweet & Sour)	2,159	1,615	1,581
Total Pounds	1,149,997	1,408,728	1,519,698
Daily Average Disposition	38,313	45,443	50,657
No. of partially regulated plants	2	1	2
No. of other order plants	11	12	13
Total non-pool plants	13	13	15

**COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES
AND WEIGHTED AVERAGE PRICE**

Page 3

June 1971	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		22,404,591	3.151		
Less Other Source		1,513,333	2.557		
Producer Milk Class I	56.1	20,891,258	3.193498	\$6.671733	\$1,393,808.95
Gross Class II		17,999,346	4.104		
Less Other Source		1,632,229	2.418		
Producer Milk Class II	43.9	16,367,117	4.272341	\$5.362426	\$ 877,674.54
TOTAL PRODUCER MILK (Cl. I + Cl. II)	100.0	37,258,375	3.667420		\$2,271,483.49
Add Fractional Adjustment					.16
Less Handler Location Adjustment					6,974.47
Add Value of Other Source - Class I and Producer Location Adjustment		3,790	0.00		18,752.45
Add ½ Producer-Settlement Fund Reserve					0.00
TOTAL VALUE AT TEST		37,262,165	3.667047	\$6.127560	\$2,283,261.63
Less Test over 3.5% @ 8.0¢ per point		37,262,165	.167047	0.133638	49,796.41
TOTAL UTILIZATION VALUE AT 3.5%		37,262,165	3.5	\$5.993922	\$2,233,465.22
Less Reserve per \$1090.71 (f)		37,262,165		.043922	
WEIGHTED AVERAGE PRICE - 3.5% TEST		37,262,165		\$5.95	
Less FMP from Unregulated Supply Plants Allocated to Class I @ Wt. Av. Price		3,790		\$5.95	225.51
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		37,258,375			\$2,233,239.71

BASE AND EXCESS PRICES

	Milk Pounds	Cwt. Price @ Test	Amount	
TOTAL PRODUCER MILK VALUE @ 3.5% TEST	37,258,375			\$2,233,239.71
Excess Producer Milk Used in Class I	-	-	-	
Excess Producer Milk Used in Class II	3,733,702	\$4.76	\$177,724.22	
UNIFORM EXCESS PRICE - 3.5% TEST	3,733,702	\$4.76		177,724.22
Total Value of Base Milk	33,524,673	6.131351		2,055,515.49
Less Producer-Settlement Fund Reserve	33,524,673	.041351		13,862.79
UNIFORM BASE PRICE - 3.5% TEST	33,524,673	\$6.09		\$2,041,652.70

**JUNE 1971 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)**

TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS
3.0	\$5.69	\$4.36	4.0	\$6.49	\$5.16	5.0	\$7.29	\$5.96
3.05	5.73	4.40	4.05	6.53	5.20	5.05	7.33	6.00
3.1	5.77	4.44	4.1	6.57	5.24	5.1	7.37	6.04
3.15	5.81	4.48	4.15	6.61	5.28	5.15	7.41	6.08
3.2	5.85	4.52	4.2	6.65	5.32	5.2	7.45	6.12
3.25	5.89	4.56	4.25	6.69	5.36	5.25	7.49	6.16
3.3	5.93	4.60	4.3	6.73	5.40	5.3	7.53	6.20
3.35	5.97	4.64	4.35	6.77	5.44	5.35	7.57	6.24
3.4	6.01	4.68	4.4	6.81	5.48	5.4	7.61	6.28
3.45	6.05	4.72	4.45	6.85	5.52	5.45	7.65	6.32
3.5	6.09	4.76	4.5	6.89	5.56	5.5	7.69	6.36
3.55	6.13	4.80	4.55	6.93	5.60	5.55	7.73	6.40
3.6	6.17	4.84	4.6	6.97	5.64	5.6	7.77	6.44
3.65	6.21	4.88	4.65	7.01	5.68	5.65	7.81	6.48
3.7	6.25	4.92	4.7	7.05	5.72	5.7	7.85	6.52
3.75	6.29	4.96	4.75	7.09	5.76	5.75	7.89	6.56
3.8	6.33	5.00	4.8	7.13	5.80	5.8	7.93	6.60
3.85	6.37	5.04	4.85	7.17	5.84	5.85	7.97	6.64
3.9	6.41	5.08	4.9	7.21	5.88	5.9	8.01	6.68
3.95	6.45	5.12	4.95	7.25	5.92	5.95	8.05	6.72

CHATTANOOGA ORDER MILK PRICE (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
June '70	\$6.06 2/	\$6.20	\$4.61	8.2¢	\$6.73	8.4¢	\$4.61	8.0¢
July	6.14 2/	6.31	4.60	8.2	6.76	8.4	4.60	8.0
Aug.	6.01	-	-	8.2	6.75	8.4	4.61	8.0
Sept.	6.32	-	-	8.4	6.76	8.4	4.66	8.1
Oct.	6.39	-	-	8.4	6.81	8.5	4.77	8.1
Nov.	6.47	-	-	8.2	6.92	8.4	4.82	8.0
Dec.	6.30	-	-	8.2	6.97	8.4	4.83	8.1
Jan. '71	6.28	-	-	8.2	6.98	8.4	4.79	8.0
Feb.	6.36	-	-	8.2	6.94	8.4	4.83	8.0
Mar.	6.21 2/	6.32	4.81	8.2	6.98	8.4	4.81	8.0
Apr.	6.04 2/	6.20	4.83	8.2	6.96	8.4	4.83	7.8
May	5.97 2/	6.17	4.77	8.0	6.98	8.1	4.77	7.8
June	5.95 2/	6.09	4.76	8.0	6.92	8.1	4.76	7.8
July	-	-	-	-	6.91	8.1	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi. 92° Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Basic Formula	Class I	Class II		
	¢ Lb.	¢ Lb.	\$-Cwt-3.5% Minimum		Pounds	Test-%	Pounds	Test-%
June '70	69.81	26.77	\$4.61	\$4.33	690,927	3.26	324,444	4.67
July	69.80	27.02	4.60	4.33	715,318	3.27	284,243	4.65
Aug.	69.80	26.85	4.61	4.33	694,169	3.27	347,743	4.45
Sept.	70.52	26.86	4.66	4.33	881,429	3.25	209,852	5.48
Oct.	70.12	26.85	4.77	4.33	875,572	3.37	221,288	5.94
Nov.	69.88	26.82	4.82	4.33	848,594	3.41	226,279	6.46
Dec.	70.40	26.90	4.83	4.33	760,876	3.36	342,699	5.48
Jan. '71	69.77	26.91	4.79	4.33	775,537	3.32	326,520	5.91
Feb.	69.78	27.12	4.83	4.33	770,040	3.34	251,416	6.51
Mar.	69.78	27.21	4.81	4.33	708,198	3.27	347,418	5.33
Apr.	67.78	29.19	4.83	4.33	749,022	3.23	536,940	4.46
May	67.78	31.57	4.77	4.33	751,952	3.18	604,745	4.25
June	67.78	31.55	4.76	4.33	696,375	3.19	545,571	4.27

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA				DELIVERIES PER		
	No.	Total	Class I	No.	Total	Base	Average	Farm ---	Pounds	
	Hdlers.	Receipts	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
June '70	21	1,153,003	752,470	739	1,015,371	924,399	3.71	1,374	1,251	123
July	21	1,124,146	775,421	744	999,561	903,625	3.66	1,343	1,215	128
Aug.	21	1,153,814	753,698	742	1,041,912	-	3.66	1,404	-	-
Sept.	20	1,184,034	952,991	742	1,091,281	-	3.68	1,471	-	-
Oct.	20	1,196,873	948,068	748	1,096,860	-	3.89	1,466	-	-
Nov.	20	1,166,551	910,227	745	1,074,873	-	4.06	1,443	-	-
Dec.	19	1,212,913	822,193	743	1,103,575	-	4.02	1,485	-	-
Jan. '71	19	1,201,136	838,128	739	1,102,057	-	4.09	1,491	-	-
Feb.	19	1,130,134	833,673	731	1,021,456	-	4.12	1,397	-	-
Mar.	19	1,169,574	771,192	693	1,055,616	980,583	3.95	1,523	1,415	108
Apr.	20	1,411,347	812,400	854	1,285,962	1,142,972	3.74	1,506	1,338	168
May	20	1,489,326	810,302	890	1,356,697	1,167,808	3.66	1,524	1,312	212
June	20	1,346,798	746,820	886	1,241,946	1,117,489	3.67	1,402	1,261	141

1/ Excludes Premiums

2/ Weighted average Price

3/ Other Source is Gross minus Producer

Class II is Receipts minus Class I